

**EXHIBIT Q**  
**Escrow Subsidy Agreement**  
**LHFA HOME Program**

THIS ESCROW SUBSIDY AGREEMENT (the "Agreement") is executed by \_\_\_\_\_ (the "Borrower") on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ in favor of the Louisiana Housing Finance Agency (the "Agency"), and Standard Mortgage Corporation (the "Master Servicer").

WHEREAS, the Agency has implemented a HOME-Assisted Program Loan in which an eligible individual will be granted a monthly subsidy based on a two percent (2%) reduction of the interest rate on the return received by the Agency on the Borrower's HOME-Assisted Program Loan. The funds generated by the two percent (2%) in the interest rate on the return to the Agency will be used to reduce the Borrower's payments required under the loan documents (the "Subsidy"); and

WHEREAS, the Borrower has qualified for the Agency's Home-Assisted Program Loan (the "Loan") which will be secured by the real property identified below \_\_\_\_\_(the "Property"); and

WHEREAS, Standard Mortgage Corporation is the Master Servicer for the Loan and as such will receive the Borrower's monthly Loan payments as well as the Agency's Subsidy payment; and

WHEREAS, the Subsidy payment will be made in accordance with the terms and conditions set forth below.

NOW, THEREFORE, as directed by the Agency, the Master Servicer shall:

1. As instructed by the Agency, the Master Servicer will deposit the monthly Subsidy payment into the Borrower's non-interest bearing reserve account (the "Account") for the Borrower's Loan. The Account will be held by the Master Servicer.
2. The amount of the monthly Subsidy payment shall be equal to one-twelfth (1/12) of an amount equal to two percent (2%) of the outstanding principal balance on the Loan (based on a twelve (12) month projected amount) as follows:

Monthly Payments by Year	Subsidy Deposits:
1	\$ _____
2	\$ _____
3	\$ _____
4	\$ _____
5	\$ _____
6	\$ _____
7	\$ _____

3. Such monthly Subsidy deposits into the Account shall reduce the amount of the Borrower's monthly payments that the Borrower would have paid based on the calculations made by the Master Servicer.
4. Subsidy deposits will be applied only upon Master Servicer's receipt of the Borrower's full monthly payment.
5. Subsidy deposits into the Account will commence on the due date of the first monthly payment and will continue until such time as the Subsidy is no longer provided by the Agency or the HOME-Assisted Program Loan is terminated in accordance with the terms set forth herein. Subsidy amount will change annually.

6. Subsidy deposit into the Account shall terminate immediately upon the occurrence of any of the following events: i) the Property is no longer owner occupied; ii) the Property is sold or transferred to a third party; iii) the loan is paid off; iv) the Borrower defaults under the terms of the loan documents, or v) the Agency terminates its HOME-Assistance Program Loan.
7. Any Subsidy funds remaining in the Account at the time of termination shall be returned to the Agency.
8. The failure of the Agency or the Master Servicer to enforce any provision of, or to exercise any right under this Agreement shall not be construed as a waiver of such provision or right or affect the validity of this Agreement, or limit, prevent or impair the right of the Agency or the Master Servicer to subsequently enforce such provision or exercise such right.
9. Notwithstanding anything to the contrary contained in this Agreement, the Agency retains the right to terminate its HOME-Assisted Program Loan at any time with or without cause.

The undersigned Borrower(s) hereby acknowledge the receipt of a copy of this Agreement.

ACKNOWLEDGEMENT RE:

_____	Date: _____
Borrower:	
_____	Date: _____
Co-Borrower:	